

**A COMPLETE COPY OF DELPHI'S
COURT PAPERS, INCLUDING THE
MEMORANDUM OF UNDERSTANDING,
CAN BE OBTAINED AT
WWW.DELPHIDOCKET.COM OR BY
CALLING 1-888-249-2691.**

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11
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DELPHI CORPORATION, et al. : Case No. 05-44481 (RDD)
:
Debtors. : (Jointly Administered)
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**INFORMATIONAL NOTICE OF MOTION FOR ORDER APPROVING MEMORANDUM OF
UNDERSTANDING AMONG UAW, DELPHI, AND GENERAL MOTORS CORPORATION,
INCLUDING MODIFICATION OF UAW COLLECTIVE BARGAINING AGREEMENTS AND
RETIREE WELFARE BENEFITS
FOR CERTAIN UAW-REPRESENTED RETIREES**

**INFORMATION FOR UAW-REPRESENTED
EMPLOYEES AND RETIREES OF DELPHI CORPORATION**

On June 29, 2007, Delphi Corporation and certain of its affiliated debtors and debtors-in-possession ("Delphi"), filed the **Motion For Order Under 11 U.S.C. §§ 363, 1113 and 1114 and Fed. R. Bankr. P. 6004 and 9019 Approving Memorandum of Understanding Among UAW, Delphi, and General Motors Corporation, Including Modification of UAW Collective Bargaining Agreements and Retiree Welfare Benefits For Certain UAW-Represented Retirees** (the "Approval Motion"), which seeks bankruptcy court approval (subject to ratification by the UAW) of a memorandum of understanding dated June 22, 2007 (the "Agreement" or "Memorandum of Understanding") among Delphi, General Motors, and the UAW regarding Delphi's restructuring.

On July 19, 2007 at 10:00 a.m., the United States Bankruptcy Court (the "Court") for the Southern District of New York will conduct a hearing on approval of the Agreement.

If approved by the Court (and ratified by UAW), the Agreement will go into effect. The Agreement provides, among other terms, that:

A. Effective upon the later of entry of an order approving the Agreement or the first Monday following receipt of written notice of ratification from the UAW:

- The terms of the UAW collective bargaining agreements ("CBAs") will be extended until September 14, 2011;
- A site plan will be implemented with respect to each of 21 UAW-Delphi plants which includes specific revenue, production, and job commitments

from Delphi and/or GM and pursuant to which Delphi will retain ownership and operations in four facilities, seven facilities will be sold or transferred to a third party so that Delphi will have no further operational or employment responsibilities after certain specified sunset dates, and ten facilities will be closed;

- A workforce transformation program will be implemented for traditional UAW-represented employees that provides eligible employees with transformation plan options including (1) attrition options similar to the previously-approved UAW attrition programs, (2) flowback rights to eligible Delphi employees as of the date of the filing of Delphi's bankruptcy petition who do not elect the attrition options, including relocation allowances of up to \$67,000 in certain circumstances when plants cease production, (3) provision of lump sum "buy-down" payments totaling \$105,000 for traditional production employees who do not elect the attrition option or flowback and continue to work for Delphi under the terms of the 2004 UAW-Delphi Supplemental Agreement applicable to employees hired after 2004, transferring those employees to Supplemental Employee Status¹ as of October 1, 2007, (4) conversion of temporary employees in UAW-Delphi plants to permanent employee status, and (5) severance payments up to \$40,000 to eligible employees who are permanently laid off prior to September 14, 2011;
- Certain terms of the 2004 UAW-Delphi Supplemental Agreement with respect to wages, individual retirement and savings plans, and post-retirement health care accounts will be modified;
- Certain terms of the UAW CBAs will be modified with respect to provisions covering hiring requirements, existing CHR/Legal Services, holiday schedule, Appendix L, GIS, AOL, and other matters described in Attachment E to the Memorandum of Understanding;
- Local negotiations subject to mutual agreement regarding work rules and other local agreement issues will be conducted on an expedited basis;
- Delphi's commitment in the 2004 UAW-Delphi Supplemental Agreement to the principle of "equivalence of sacrifice" when establishing compensation and benefit levels for salaried employees and management is reaffirmed;
- There will be provisions for resolution of claims, including waivers and releases to be effective as part of Delphi's plan of reorganization; and
- The UAW will receive an allowed prepetition claim, to be paid pursuant to the plan of reorganization in the amount of \$140 million on account of the CHR and Legal Services claims as of April 1, 2007 (to be adjusted for accruals through October 1, 2007 and adjusted for expenditures by Delphi

¹ Capitalized terms used and not defined in this informational notice have the meanings set forth in the Agreement.

until the effective date of a plan of reorganization) of which \$30 million will be paid to the UAW-GM Center for Human Resources and the balance will be paid directly to the DC VEBA established pursuant to a settlement agreement approved by the court in the case of International Union, UAW, et al. v. General Motors Corp., Civil Action No. 05-73991.

B. Effective upon the execution by Delphi and GM of a comprehensive settlement agreement resolving certain financial, commercial, and other matters between Delphi and GM and substantial consummation of a plan of reorganization proposed by Delphi in its chapter 11 cases and confirmed by the Court which incorporates, approves, and is consistent with all of the terms of the Agreement and Delphi-GM settlement:

- Delphi's obligation to provide certain retiree welfare benefits will be eliminated and GM will be obligated to provide certain retiree welfare benefits for certain UAW-represented employees covered as provided in the Benefit Guarantee Term Sheet;
- A transfer of certain pension assets and liabilities from Delphi's pension plans to GM's pension plans will be effectuated pursuant to Internal Revenue Code Section 414(l) in exchange for certain consideration to be paid by Delphi to GM;
- Delphi's existing pension plan will be frozen in certain respects effective upon emergence from chapter 11 and GM is obligated to pay certain benefits for certain UAW-represented employees covered as provided in the Benefit Guarantee Term Sheet;
- The amount of \$450 million will be funded by GM, which the UAW has directed to be paid directly to the DC VEBA established pursuant to a settlement agreement approved by the court in the case of International Union, UAW, et al. v. General Motors Corp., Civil Action No. 05-73991.

C. In addition, under Delphi's plan of reorganization:

- The Memorandum of Understanding (including the UAW CBAs) will be assumed pursuant to 11 U.S.C. § 365;
- Delphi and GM will receive releases from the UAW, all employees and former employees of Delphi represented or formerly represented by the UAW, and all persons or entities with claims derived from or related to any relationship with such employees of Delphi arising directly or indirectly from or in any way related to any obligations under the collective bargaining agreements or the Memorandum of Understanding (except for claims for benefits provided for or explicitly not waived under the Memorandum of Understanding).

This list is only a summary of some of the terms of the Agreement and is qualified entirely by and is subject to the actual terms and conditions of the Agreement. A complete copy of Delphi's court papers, including the Memorandum of Understanding, can be obtained at

www.delphidocket.com or by calling 1-888-249-2691. Delphi's plan of reorganization will be considered by the Court at a later time and you will receive notice about that proceeding.

A copy of the notice of the Approval Motion is attached hereto.

Dated: New York, New York
June 29, 2007

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